

Cummings Renews Call to Finalize Bipartisan Legislation to Enhance Safeguards for Troops

Washington, DC (July 18, 2012)—A Government Accountability Office (GAO) report issued yesterday found that financial institutions are failing to protect servicemembers from improper foreclosures and are not reducing their mortgage interest rates in compliance with the law.

“These findings highlight the overwhelming need for Congress to take swift action to pass my legislation to provide enhanced protections for our men and women in uniform fighting overseas,” said Rep. Elijah E. Cummings, Ranking Member of the House Committee on Oversight and Government Reform. “There is overwhelming bipartisan support for these protections, and they have already passed the House. Congress has a responsibility to ensure that our troops are not the victims of mortgage servicers’ failure to abide by the law.”

GAO’s report, [“Mortgage Foreclosures: Regulatory Oversight of Compliance with Servicemembers Civil Relief Act has been Limited,”](#) found:

- At least 15,000 instances of financial institutions failing to properly reduce servicemembers’ mortgage interest rates and over 300 improper foreclosures in recent years;
- Federal regulators’ oversight of the Servicemembers Civil Relief Act (SCRA) has been limited. From 2007 through 2011, depository institution regulators reviewed 48 percent of all banks and credit unions for SCRA compliance, but only about half received examinations that involved testing of compliance by reviewing loan files; and
- DOD and DHS do not assess their own effectiveness in informing servicemembers of their rights under SCRA.

On May 18, 2012, the House overwhelmingly [passed](#) by a vote of 394 to 27 an amendment to the National Defense Authorization Act (NDAA) introduced by Ranking Member Cummings, along with Rep. Bob Filner, Ranking Member of the Veterans Affairs Committee, and Rep. Adam Smith, Ranking Member of the Armed Services Committee, that significantly expands

foreclosure protections to servicemembers, their families, and disabled veterans. Senator John D. Rockefeller sponsored the companion bill in the Senate.

Five prominent military and veterans organizations issued letters in support of the legislation:

[American Legion](#)

,
[Veterans of Foreign Wars](#)

,
[Paralyzed Veterans of America](#)

,
[Disabled American Veterans](#)

, and

[Military Officers Association of America.](#)

Last year, Cummings and Rockefeller issued a report, [Fighting on the Home Front](#) , detailing how multiple banks had violated the SCRA by illegally foreclosing on servicemembers and charging fees in excess of those permitted by the SCRA.